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STATE FOR EAP/FO, EAP/ANP, EAP/EP AND EAP/RSP

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TAGS: PREL PGOV NZ ASEAN FJ BM

SUBJECT: EAP DAS DAVIES JANUARY 16-7 MEETINGS WITH GNZ
OFFICIALS

WELLINGTON 0000068 001.2 OF 002

Classified By: DCM DAVID J. KEEGAN,
FOR REASONS 1.4(b) and (d)

¶11. (C/NF) Summary: Senior Ministry of Foreign Affairs and Trade officials told visiting EAP DAS Glyn Davies that they hope that the possible visit of PM Helen Clark and other GNZ officials to Washington will further enhance the recently improved US-NZ relationship. Davies agreed but cautioned that an improved relationship would not come cost free. New Zealand must continue to find new ways to cooperate and to improve the "tonality" of its public messages concerning the United States. The Kiwis agreed and said they are stressing within their system the boundaries of what is possible. Davies, who was visiting Wellington on his way to the 50th anniversary celebrations of US-NZ cooperation on Antarctica, also discussed recent events in the Pacific Islands, the ASEAN/EAS Summit, and other regional issues during his meetings. DAS Davies' meeting with Foreign Minister Peters is reported septel. End Summary.

BILATERAL VISITS IN THE PIPELINE

¶12. (C/NF) Virtually every Kiwi official who met with Davies during his two-day visit to Wellington stressed how helpful bilateral visits and meetings have been to keeping momentum within the GNZ towards improved US-NZ relations. At a January 16 roundtable on the relationship and areas for future cooperation, Defence Secretary John McKinnon, who chaired the meeting, told Davies that Prime Minister Clark had been very pleased with her conversation with the President in Hanoi and hopes to be able to visit Washington in March. (Until last month, McKinnon had been the MFAT Deputy Secretary in charge of the Americas and Asia.) Davies encouraged the GNZ to think of low-key "deliverables" for a visit, perhaps using as a starting point working holiday visas and other smaller-scale agenda items from the cooperation "matrix" under discussion since the July 2006 US-NZ working level meeting in Bangkok. Davies also suggested it would be helpful for the PM to make a positive speech about bilateral ties while in the U.S.

¶13. (C/NF) The GNZ officials also reiterated the PM's invitation to the President to visit New Zealand following September's APEC Summit in Sydney. A highlight of the visit would be a meeting with Pacific Island Country (PIC) leaders.

Davies said that a brief visit might be possible, but cautioned that the President's schedule is still unclear and there are a lot of competing demands on his time, including the anniversary of the 9/11 attacks. Ministry of Foreign Affairs and Trade (MFAT) Deputy Secretary Alan Williams, who handles Australian and Pacific Island Affairs, said that GNZ would strongly encourage that we agree by May whether or not a visit was at least possible in order to ensure a high level of PIC leader representation.

¶4. (C/NF) In a separate meeting, MFAT CEO Simon Murdoch said Foreign Minister Peters would like to visit Washington some time between March and September. (Peters confirmed this when he met with Davies the next day (septel)).

Defence/Trade Minister Goff will probably visit the U.S. during the 3rd quarter. The Kiwis said they will also welcome EAP/ANP Director Steven McGann's visit to Wellington in April for "matrix" discussions. McKinnon and Murdoch said they hoped the new Deputy Foreign Secretary covering US issues, John McArthur, would soon visit Washington for meetings with A/S Hill, DAS Davies, and others. Both sides agreed there would be value in holding TIFA talks in New Zealand this year and hoped for a meaningful second US-NZ Partnership Forum meeting in Auckland in September. The NZ side said they thought the first day of the Forum would center on Asia-Pacific regional issues, the second on trade.

PACIFIC ISLAND ISSUES

¶4. (C/NF) During the roundtable, the Kiwis highlighted how helpful it has been to consult with U.S. officials on events in Fiji and elsewhere in the Pacific. Williams said his November DVC with Director McGann and Australian official David Ritchie had been particularly useful. He is looking

WELLINGTON 00000068 002.2 OF 002

forward to continued three-way talks on the margins of next month's Chief of Missions conference in Honolulu. At a working lunch on Pacific Island issues, Davies said he planned to travel to Suva in early February, and he solicited the GNZ's views on Fijian Prime Minister (and coup leader) Frank Bainimarama. NZ Defence Force Chief Jerry Mataparae agreed with Davies' assessment that Bainimarama had instigated the coup because he feared he would be arrested by the former government, but said Bainimarama had also acted because he believes he knows best for Fiji. NZAID Executive Director Peter Adams said that his Fijian contacts predict the Fijian public will give the interim government 18-24 months to do what it says it will do. After that, the government will lose any support it has and will also start to splinter into factions. Williams said that the expiration of European trade preferences will be more than many PICs can handle. He indicated that the other PICs may suffer if Western sanctions end up freezing Fijian trade negotiators (who are more numerous and competent than those from other PICs) out of the negotiations to replace the preferences.

OTHER ISSUES

¶5. (C/NF) McKinnon told Davies that shortly before Christmas, NZ Ministers had approved an increase in NZ's contribution to the Antarctic C-130 logistics pool from 30 to 40 percent of airlifts. They also agreed to add three C-130 flights in both April '08 and '09 to help move scientists off the ice (as NSF had requested). The Ministers additionally asked working level NZ officials to look into additional areas of support, such as wind generation capacity for Scott and McMurdo. On Afghanistan, Deputy Defence Secretary Chris Seed said it was very possible Ministers would extend the Bamiyan PRT through 2009, but it was less likely they could approve a new SAS deployment this year given the need for the Special Forces to recover from their last deployment to

Afghanistan. McKinnon told Davies that in addition to facing criticism from the revenue lost from the suspended sale of the A-4 Skyhawks, the Government is under pressure because the planes are a reminder of PM Clark's controversial decision to eliminate the NZ Defence Force's air combat wing when she came into office. The Kiwis acknowledged they need to tell State/PM how they'd like the USG to handle the application: ie whether we suspend it, deny it, or wait for GNZ to withdraw it.

¶6. (C/NF) Murdoch had just returned from accompanying PM Clark and FM Peters to the ASEAN/EAS meetings in Cebu. He told Davies that ASEAN members Singapore, Indonesia, and Malaysia had wanted to show the forum's friends and partners that ASEAN's nonintervention policy hasn't prevented individual members from expressing concern about Burma's human rights record. They see the failed UNSC vote on Burma as a setback, and are regrouping to see what to do next. Murdoch said that China was more engaged in the East Asian Summit than many had believed would be the case. This allowed Japan, India, and New Zealand to add more substance and call for a strengthened role for the Secretariat. Murdoch said that PM Clark and PM Howard agree that the EAS has taken root.

¶7. (C/NF) Murdoch put in a quiet pitch for the US to add NZ to the queue for an FTA once the U.S. process resumes. He said that PM Clark would visit the Hill to make a similar request during her visit and would make a soft request to the President as well. Trade/Defence Minister Goff will likely make a stronger request when he next goes to the States.

McCormick